



CALIFORNIA HIGH-SPEED RAIL AUTHORITY

Board Meeting Minutes

May 6, 2010

Sacramento, California

(Approved 8-5-10)

The meeting of the California High-Speed Rail Authority was called to order on May 6, 2010 at 10:10 AM at the Sacramento City Council Chambers in Sacramento, CA.

Called to order and Roll call

Members Present: Chairman Curt Pringle
Fran Florez
Rod Diridon, Sr.
Lynn Schenk
Thomas Umberg (remotely from Camp Eggers, Afghanistan)
Russell Burns
Quentin Kopp
David Crane

Members absent: Richard Katz

Pledge of Allegiance

Administered by Ms. Schenk.

Chairman Pringle welcomed Mayor Kevin Johnson of the City of Sacramento and also thanked him for the use of the Council Chambers. Mayor Johnson updated the Board on the progress made by Sacramento regarding the High Speed Rail project including the inter-modal facility in the rail yard development project which will be the future home of the Sacramento high speed train service. Work is currently being done to relocate the existing tracks. Mayor Johnson also stated high speed rail is supported heavily by elected officials and stakeholders. Additionally, Sacramento supports the Authority in its pursuit to acquire federal funding from the Federal Railroad Administration (FRA) for the Sacramento to Merced corridor and is open to assisting the Authority in any way possible.

Following Mayor Johnson's comments, the Board reconvened in closed session.

Executive Director Compensation

The board began the process of selecting a new Executive Director to replace Mehdi Morshed, who retired from State service in March 2010. Chairman Pringle stated the Board unanimously selected Mr. Roelof van Ark as the prime candidate for the position. Mr. van Ark is currently the president of Alstom Transportation.

The Board set a salary for this position of \$375,000 per year with a one-time recruitment incentive of 20% of that salary. Chairman Pringle asked for a motion for the approval of said salary. Member

Diridon moved, with the understanding that the 20% be pro-rated and returned if Mr. van Ark were to leave the position before serving for two years. Member Crane seconded the motion. Member Kopp stated while he believes Mr. van Ark is a superior candidate for the position, he voted against the salary range which was raised from the amount recommended by the Executive Committee. Additionally, the President pro tem of the State Senate expressed reservations of the salary range as well, given the current financial condition of the State of California. Member Kopp stated he would vote for the motion in its entirety but that he does not agree with the salary range. The motion carried unanimously. Chairman Pringle officially welcomed Mr. van Ark to the High Speed Rail Authority.

Mr. van Ark thanked the Board for their confidence in his ability to head the high speed rail project and graciously accepted. Mr. van Ark believes he possesses the credentials necessary to assist in making the project a reality. He looks forward to beginning his service beginning June 1, 2010.

Member Diridon thanked Stuart Satow and Stephanie Pinson for their services in the recruiting process of the CEO.

Public Comment

An opportunity for public comment was provided to the audience. Several city and county representatives spoke as well as individuals from the public.

High Speed Rail Workforce Development

Member Diridon stated a task force was created by the California State University to assess the need for specific education programs that would support the development of high speed rail systems.

Dean Sheila A. Thomas of California State University provided a presentation on the task force's needs assessment for North America. The presentation is available upon request.

Member Diridon moved to have a liaison appointed and have the task force complete their needs assessment study as soon as possible. Member Burns seconded. Chairman Pringle added this motion would carry with the understanding that this study would be done at no expense to the Authority. The motion carried unanimously.

Approval of Meeting Minutes

This item was continued without objection.

Executive/Administration Committee Report

Chairman Pringle reported the FRA and Transbay Joint Powers Authority Memorandum of Understanding (MOU) had been continued to the June Board meeting.

Steve Schnaidt presented an update on pending legislation including AB 1375 which would create a Department of Railroads as the successor agency to the Authority. The Authority would remain intact as an advisory, review and oversight body of the new department. Members Schenk and Diridon both agreed that while restructuring is important, the time for that is not now. Mr. Schnaidt was directed to draft a letter stating the Board opposition to the bill's suggestion of the concept of

restructuring at this time, however the board will continue to monitor the legislation. Member Schenk moved to have said letter drafted, Member Diridon seconded. Chairman Pringle recommended the letter address SB 409 as well. The motion carried unanimously.

Regarding the Strategic Plan, Chairman Pringle stated modifications were made by the Executive Committee. The modifications made were generally technical. Member Kopp moved to adopt the modified strategic plan, Member Florez seconded. The motion carried unanimously.

Chairman Pringle stated there were continued discussions regarding the MOU with Burlington Northern Santa Fe (BNSF); therefore it was continued to the June board meeting.

Chairman Pringle stated the Committee recommended the board adopt the MOU with Belgium. Member Diridon moved to adopt the MOU, Member Kopp seconded. The motion carried unanimously.

Chairman Pringle stated the Committee also recommended the board adopt the Board Policies and Procedures. Member Kopp moved to adopt, Member Florez seconded. The motion carried unanimously.

Operations Committee Report

Member Diridon reported all critical path items are on schedule to make the ARRA deadlines. He stressed the importance of staying on track as far as time is concerned.

The Committee recommended the board adopt the MOU with the San Joaquin Regional Rail Commission. Member Diridon moved to adopt the MOU, Member Schenk seconded. The motion carried unanimously.

Member Diridon stated legal counsel is working with various organizations regarding the other MOU's on the Operations Committee agenda which had been continued to the June board meeting.

Federal Railroad Administration PRIIA Funds

Interim Executive Director Carrie Pourvahidi recommended the board direct staff to pursue PRIIA funds for planning in the amount of roughly \$20,000,000.00, to be matched by Prop 1A funding in the Governor's 10/11 budget. The applications for these funds are due May 19, 2010.

Member Kopp moved to authorize the Executive Director to complete the PRIIA applications in consultation with federal advocates for \$20,000,000.00 or up to the maximum amount based upon that consultation. Member Diridon seconded. The motion carried unanimously.

Sacramento to Merced Section – Board Briefing of Initial Alternatives

Deputy Director Dan Leavitt provided a presentation and briefing on the scoping process and initial alternative alignments and station locations. Staff recommended the board authorize further study on the alternative alignments and stations locations.

Member Burns moved to adopt the staff recommendation, Member Florez seconded. The motion carried unanimously.

Altamont Corridor Rail Project – Board Briefing of Initial Alternatives

Deputy Director Leavitt provided a presentation and briefing on the scoping process in the section and presented the initial alternative alignments and station locations. Staff recommended the board authorize the continued work on the Alternative Analysis process. Staff will provide a presentation on the preliminary alternative analysis report during the September board meeting. Mr. Leavitt's presentation is available upon request.

Member Kopp moved to adopt the staff recommendation, Member Diridon seconded. The motion carried unanimously.

Members Reports

Chairman Pringle reported the Bureau of State Audits had issued their official report the week of the board meeting. Authority staff plans to respond to each of the issues presented within the 60 day-response period. Chairman Pringle stated the development of a database to track expenditures by categories had already commenced prior to the audit process and would be in place within the 60 day response period. Additionally, staff continues to work with the FRA and the Inspector General's office in the acquiring and tracking of federal funds. Chairman Pringle also stated staff is working with the program management team to establish clearer procedures regarding the submittal of monthly progress reports.

Chairman Pringle thanked Member Diridon for presenting the Authority budget proposal on behalf of the Authority to the Senate Budget Sub-Committee of Transportation. He also thanked Member Kopp for presenting it to the Assembly Budget Sub-Committee of Transportation.

Chairman Pringle reported traveling to Washington, DC to meet with the representatives of the FRA including the Director and Deputy Secretary of Transportation. He also met with and updated Senator Feinstein and Senator Boxer. Additionally, he presented before the California Democrat Congressional Membership lunch of which about half of the representatives for California were in attendance.

Member Kopp requested that a status report of response to the audit be added to agenda at the next Executive Committee meeting.

Member Florez encouraged the board to allow Mr. Marvin Dean on a future agenda to talk about minority contractor associations.

Member Diridon stated there is roughly \$65,000,000,000 identified in one way or another by Congress specifically for high speed rail, in addition to the ARRA funds, in the United States.

Executive Director Report

Interim Executive Director Carrie Pourvahidi reported that all of the Authority budget items were still open in the Senate and Assembly Budget Committees. The Authority was scheduled for the May 13, 2010 Senate Budget Committee hearing.

Executive Director Pourvahidi was invited to participate with a WTS Conference in Washington, DC on May 21, 2010.

Executive Director Pourvahidi reported she had been working with the FRA on a statement of work for the planning portion of the ARRA funds the project has received and is moving forward with the cooperative agreement with the FRA.

The meeting went into recess for the Closed Session portion of the meeting at 1:20 p.m.

The Authority Board returned to the public meeting and with no action being taken during the closed session the meeting was adjourned at 2:15pm.